

Message Text

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R 051920Z AUG 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 8683

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY COLOMBO

AMEMBASSY SAN JOSE

USUN NEW YORK 0552

PANCANAL

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 5454

EO 11652: GDS

TAGS: PFOR, PORG, UN, PN

SUBJECT: PANAMA AT THE NON-ALIGNED SUMMIT: THE PANAMA CANAL
ISSUE

REF: A. PANAMA 5170 (NOTAL), B. PANAMA 5375 (NOTAL)

SUMMARY: HERewith EMBASSY'S ASSESSMENT OF PANAMA'S OPTIONS
FOR ACTION AT THE NON-ALIGNED SUMMIT ON THE CANAL ISSUE.
PANAMA HAS ONE MAIN PURPOSE IN TORRIJOS' JOURNEY TO COLOMBO:
OBTAINING A RENEWED PLEDGE OF NON-ALIGNED SOLIDARITY WITH
HER CANAL ASPIRATIONS. SHE WILL PROBABLY HAVE A FREE HAND
IN ESTABLISHING THE NON-ALIGNED POSITION. WE SEE TWO
COURSES THIS COUNTRY COULD PURSUE: FIRST, THE RELATIVELY
MODERATE ONE, WHICH FOREIGN MINISTER BOYD FAVORS, LEADING
TO A DECLARATION ALONG THE LINES OF LAST YEAR'S STATEMENT
FROM LIMA; SECOND, TO SEEK A DECLARATION LAYING OUT THE
LINES FOR A UNGA DEBATE THIS FALL ENTIRELY ON PANAMA'S
OWN GROUNDS. WE DOUBT TORRIJOS HAS MADE UP HIS MIND ON
HOW TO PROCEED. MUCH DEPENDS ON HIS, AND HIS ADVISERS',
ASSESSMENT OF DOMESTIC NEEDS AND OF US NEGOTIATING INTENT-
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IONS. THE RELATIVELY MODERATE COURSE WOULD OBJECTIVELY

BETTER SUIT PANAMA'S REAL INTERESTS, BUT WE SEE SOME DISCONCERTING FACTORS HERE WHICH COULD CAUSE TORRIJOS TO OPT FOR LESS MODERATION. END SUMMARY.

1. PANAMA'S PURPOSE: CANAL WILL NOT BE OF GREAT IMPORTANCE TO MOST PARTICIPANTS AT NON-ALIGNED SUMMIT, BUT FOR PANAMA IT IS THE ONLY ISSUE THAT MATTERS. TORRIJOS IS TRAVELING TO SRI LANKA TO REAFFIRM ITS STATUS AS AN OFFICIAL THIRD WORLD CONCERN. REPORTS FROM OTHER NON-ALIGNED MOVEMENT POSTS INDICATE PANAMA WILL HAVE A FREE HAND TO DECIDE WHAT THE SUMMIT WILL DO ON THIS ISSUE. THE QUESTION IS, WHAT KIND OF A STATEMENT WILL TORRIJOS WANT OR NEED?

2. PANAMA HAS TWO GENERAL OPTIONS. THE FIRST IS TO BE AS NON-CONTENTIOUS AS POSSIBLE IN THE INTOXICATING ATMOSPHERE AT THE SUMMIT. THIS WOULD LEAD TO A DECLARATION NOT SUBSTANTIALLY DIFFERENT FROM LAST YEAR'S AT LIMA. SUCH A DECLARATION IS THE MINIMUM WE CAN EXPECT.

3. THE SECOND OPTION IS TO USE THE SUMMIT TO LAY OUT AND JUSTIFY THE ENTIRE ISSUE ON PANAMA'S OWN GROUNDS AND OBTAIN A DETAILED ENDORSEMENT OF HER DESIRES ON OUTSTANDING ISSUES IN THE NEGOTIATIONS. WE DOUBT THAT THIS WOULD READ "BASES NO", BUT IT CERTAINLY WOULD CALL FOR AN END TO THE NEW TREATY BY THE YEAR 2000. PANAMANIAN OFFICIALS HAVE ALREADY MENTIONED SEVERAL POINTS OF PANAMA'S POSITION IN PUBLIC, BUT THIS WOULD CONSOLIDATE SUCH STATEMENTS INTO A SINGLE PACKAGE, ENDORSE THE PACKAGE AS A GOVERNMENTAL POSITION, AND LEND TO IT AN INTERNATIONAL SIGNIFICANCE BY PLACING UPON IT THE IMPRIMATUR OF THE NON-ALIGNED HEADS OF GOVERNMENT. THIS IN ITSELF WOULD BE UNWELCOME. IT COULD BE QUITE DAMAGING, DEPENDING ON HOW THE GOP CHOSE TO FOLLOW IT UP AT THE UN GENERAL ASSEMBLY.

4. THE COURSE OF MODERATION WOULD BETTER SATISFY PANAMA'S NEED TO PREPARE THE AMERICAN PUBLIC AND CONGRESS FOR A NEW TREATY. IT WOULD APPEAL TO THOSE LATIN STATES WHICH HAVE BEGUN TEMPERING PUBLIC ENDORSEMENTS WITH PRIVATE RESERVATIONS ABOUT PANAMA'S GETTING EVERYTHING PANAMA SAYS IT WANTS; THOUGH FEW SUCH STATES ARE NON-ALIGNED MEMBERS, CONFIDENTIAL

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THEIR VIEWS HAVE WEIGHT WITH PANAMA. THE LESS MODERATE OPTION WOULD APPEAL TO THOSE WHO BELIEVE THE US MOVES ONLY WHEN PUSHED AND PUSHED VERY HARD. HOWEVER, MERITS AND DEMERITS OF THESE OPTIONS WILL BE LESS IMPORTANT IN DECIDING BETWEEN THEM AT THE SUMMIT THAN TORRIJOS' PERCEPTIONS (WHICH MAY DIFFER FROM REALITY) ON TWO KEY POINTS: THE DEGREE OF DOMESTIC PRESSURE DEMANDING ACTION RELATED TO THE TREATY, AND OUR INTENTION AND CAPABILITY

TO NEGOTIATE--AND DELIVER ON--THAT TREATY.

5. DOMESTIC SITUATION: AS REPORTED PREVIOUSLY, THERE IS MUCH IN THE PRESENT SITUATION IN PANAMA THAT REQUIRES SOME SORT OF ACTION, AND TORRIJOS KNOWS IT. PRACTICALLY, THIS MEANS ACTION IN THE FOREIGN AND TREATY SPHERES; HE HAS NO DRAMATIC OR EFFECTIVE ACTIONS AVAILABLE TO RELIEVE HIS INCREASINGLY OPPRESSIVE DOMESTIC PROBLEMS. HIS RECENT FLURRY OF TRIPS ABROAD HAS SOUGHT TO PROVIDE SOME MEASURE OF "ACTION" TO CAMOUFLAGE THE ESSENTIAL LACK OF IT. THE GOVERNMENT IS TRYING TO GLAMORIZE THE SRI LANKA TRIP INTO YET ANOTHER MILESTONE OF PANAMA'S PROGRESS. BUT THE PUBLIC SENSE OF A REAL "GAP" IN THE NEGOTIATIONS THEMSELVES IS INCREASINGLY APPARENT. A COLOMBO STATEMENT SIMILAR TO LAST YEAR'S FROM LIMA WOULD BE PERCEIVED HERE AS NOTHING NEW, NO MATTER WHAT THE LOCAL MEDIA TRIED TO MAKE IT INTO. TORRIJOS HAS SO FAR MANAGED TO COPE WITH DOMESTIC PRESSURES THROUGH A VARIETY OF "MANAGEMENT TOOLS". BUT PRESSURE WILL CONTINUE BUILDING UP UNLESS THERE IS EITHER REAL PROGRESS WITH THE US IN THE NEGOTIATIONS, OR A JOLT OF SUPPORTIVE ACTION ON THE CANAL ELSEWHERE ON THE INTERNATIONAL FRONT. TO BE MODERATE IN COLOMBO, TORRIJOS MUST BE CONFIDENT THAT HIS EXISTING TOOLS WILL CONTINUE TO SUFFICE UNTIL HE AGAIN HAS REAL NEGOTIATING PROGRESS TO SHOW.

6. THE NEGOTIATIONS: THE US HAS MADE IT CLEAR THAT NO REAL PROGRESS ON SUBSTANTIVE ISSUES WILL OCCUR UNTIL AFTER NOVEMBER. AND, DESPITE OUR WORDS AND DEEDS OVER THE PAST TWO YEARS, TORRIJOS WILL CONTINUE TO SHARE WITH MANY PANAMANIAN THE NAGGING SUSPICION, UNTIL THEY SEE A NEW TREATY, THAT THE US DOES NOT REALLY

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WANT ONE OR WILL BE UNABLE TO DELIVER ONE THAT IS ACCEPTABLE. THE TIMEFRAME FOR PUTTING SOMETHING ACCEPTABLE BEFORE THE PANAMANIAN PEOPLE IS BEING CONSTRICTED BY UNRESOLVED DOMESTIC TENSIONS AND PROBLEMS, CONFRONTING TORRIJOS AND HIS ADVISERS WITH THE TWIN QUESTIONS: AFTER NOVEMBER, WHAT? AND EQUALLY IMPORTANT, WHEN? TO CHOOSE MODERATION AT COLOMBO, TORRIJOS MUST ALSO HAVE CONFIDENCE THAT WE WANT TO ACT AND WILL BE ABLE TO DO SO IN THE TIME HE BELIEVES HIMSELF TO HAVE AVAILABLE. WITHOUT THAT, HE MAY BE PERSUADED TO TRY SOMETHING ELSE.

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ACTION ARA-10

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7. THE UNITED NATIONS: ANOTHER FACTOR IN PANAMA'S PERFORMANCE AT THE SUMMIT IS THE "INTERNATIONAL OPTION" OF WORLD SUPPORT FOR ITS POSITION AGAINST OURS. THE BIGGEST GUN IN THIS OPTION IS THE UN GENERAL ASSEMBLY, WHERE A US VETO CANNOT PREVENT A LOPSIDED MAJORITY FROM ADOPTING A RESOLUTION WHICH COULD BE ALMOST ANYTHING PANAMA WANTED, PARTICULARLY IF PRECEDED BY A NON-ALIGNED CONSENSUS DRAWN TO HER SPECIFICATIONS. THE LOCAL MEDIA HAVE SAID MUCH LATELY OF PANAMA'S CARRYING HER CASE TO THE GENERAL ASSEMBLY, AND HAVE POINTED OUT THAT THE COLOMBO SUMMIT IS A KEY ELEMENT IN PREPARING TO DO THIS. FOREIGN MINISTER BOYD (REF B) HAS INDICATED THAT SUCH AN ACTION IS PROBABLE THIS FALL. THE IMPORTANT QUESTION WILL BE WHETHER PANAMA WILL SEEK GENERAL ASSEMBLY CONSIDERATION SIMPLY AS A FURTHER INTERNATIONAL "CONSCIOUSNESS RAISING" DEVICE, RESERVING EXPLICIT ENDORSEMENT OF THE PANAMANIAN NEGOTIATING POSITION, OR WHETHER PANAMA WILL STAKE HER POSITION ON HER FIRST APPEAL TO THE GENERAL ASSEMBLY. IN EITHER EVENT, PANAMA MUST HAVE A NON-ALIGNED CONSENSUS SUFFICIENT TO COVER WHATEVER COURSE TORRIJIS MAY

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FIND NECESSARY THIS AUTUMN.

8. OPTION FOR THE US: IN STRESSING AT THE HIGHEST LEVELS THE FOLLY OF NON-MODERATE GOP COURSE AT SRI LANKA, WE HAVE SOUGHT TO REINFORCE SUFFICIENTLY TORRIJOS' CONFIDENCE IN HIS "MANAGEMENT TOOLS", AND IN US, FOR HIM TO CONCLUDE THAT HE DOES NOT NEED A MAJOR NEW INITIATIVE AT THIS TIME. OUR AVAILABLE OPTIONS TO ACCOMPLISH THIS ARE LIMITED. WE CANNOT MAKE DECISIONS ON DOMESTIC PROBLEMS FOR HIM. HARD, EVEN IF NON-PUBLIC, EVIDENCE OF NEGOTIATING PROGRESS WOULD POSITIVELY INFLUENCE HIS CONFIDENCE IN US--AND, IF IT EXISTED, WE COULD ALSO CREDIBLY SUGGEST THAT IT WOULD BE BLOWN AWAY BY ILL WINDS FROM COLOMBO OR NEW YORK. BUT, AS TORRIJOS AND THE GOP REPORTEDLY SEE IT, SUCH NEGOTIATING ACTIVITY IS AT A STANDSTILL AND MAY BE FOR SOME TIME YET. PALLIATIVE MEASURES MAY MITIGATE THE EFFECTS OF THIS FACT, INCLUDING COUNSELS OF RESTRAINT FROM HEADS OF GOVERNMENT WHOM TORRIJOS RESPECTS, OR GESTURES FROM US THAT PROMISE SUBSTANTIAL PROGRESS TOWARD AN ACCEPTABLE TREATY WITHIN A SHORT TIME AFTER OUR ELECTIONS. BUT THE ONLY REAL LEVER ON TORRIJOS RIGHT NOW IS PROGRESS IN THE NEGOTIATIONS. IN THE FACE OF THE OTHER PRESSURES ON HIM, LESSER MEASURES AND PALLIATIVES, HOWEVER, SIGNIFICANT, WILL PROBABLY NOT DO THE TRICK.

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